

UC 'shantytown' hits at apartheid investing

TUE APR 1 1986 *cc*

By Kathy O'Toole
and Barbara Lynne Harris

The Tribune *S. African divestment
ST. Mary Area*

BERKELEY — University of California students protesting apartheid in South Africa built a "shantytown" of plywood, cloth and cardboard boxes in front of the chancellor's office yesterday.

Protesters renewed their demand that UC sell its \$2.4 billion holdings in American companies doing business with South Africa, and added a slew of new demands aimed at bringing the issue of racism closer to home.

Unlike the demonstrations last spring, Berkeley Chancellor Ira Michael Heyman laid out rules of conduct for this protest in advance. The rules, published

in the student newspaper Friday, said UC administrators will not allow the protesters to stage a round-the-clock camp-out as they did on the steps of Sproul Plaza in April and May 1985.

More than 800 people were arrested last year, mostly for non-violent acts of civil disobedience, and charged with trespassing, blocking sidewalks and sleeping on public property, but juries and judges refused to uphold the charges.

Leaders of yesterday's protest asserted that they had no choice but to break campus rules.

"The rules are designed so we cannot adhere to them and still have an effective protest," said

See **APARTHEID**, Page A-13

The waste management au-
 thority agreed to review the pro-
 posed Monday.

Bradley Angel, a member of a student-community organization Campaign Against Apartheid and a veteran of Berkeley protests.

Assistant Chancellor John Cummins, who met with students in front of the shantytown outside California Hall at sundown, said the university fire marshal declared the 13-shanty development a severe fire hazard yesterday.

"It's obvious the shanties can't stay there indefinitely," Cummins said. However, he would not say what action, if any, the university would take to remove them.

The shantytown, similar to those erected at the University of California, Los Angeles and Stanford University, symbolized the dilapidated housing in the suburban black townships of South Africa where blacks are forced to live by the country's white government rules.

Heyman said in his written notices to students that "protests have a long tradition in Berkeley" and he would permit "the presence of a symbolic South African shanty ... for a specific period at a location within university rules."

The rules said: "Overnight occupation of this shanty will not be permitted."

Gisela Macedo, a student leader of the United People of Color, said educational programs to make students aware of racism on campus were planned around the shantytown. She told UC officials that in addition to divestment demands, the students are seeking reforms on campus.

She said UC must improve its graduation rate among minority students, make ethnic studies a



Singer Richie Havens, left, entertains a noon anti-apartheid rally y

"If you break this down," Macedo said, "you're breaking down an educational process."

Students active in last spring's apartheid demonstrations could not rekindle a broad-based student protest when they returned to school last fall, but they drew about 1,000 people to a noon rally yesterday that featured singers Richie Havens and Alice Coltrane.

Neither entertainer spoke specifically about South Africa but referred to civil rights and freedom in general terms that thrilled the young crowd. Students and others watched from treetops and rooftops as well as from the broad plaza that is the traditional gathering spot for

Uniformed police watched quietly from the sidelines, even when a protester splashed red paint on the stone facade of California Hall.

"I'm not taking any action now," Police Chief Derry Bowles

UC cops arrest 61 protesters in shantytown confrontation

WED APR 2 1986

S. African divestment
By Barbara Lynne Harris
ST Bay Area
The Tribune

BERKELEY — The construction of a symbolic South African shantytown at the University of California ended before dawn yesterday in an angry confrontation between police and protesters that signaled an increasing militancy by some anti-apartheid activists.

In the ugliest demonstration since campus unrest began one year ago over the issue of South African apartheid, university

police arrested 61 people during a tense and potentially explosive contest of wills.

When it was over, the shantytown — 14 wood, cardboard and cloth buildings depicting the hovels where many black South Africans must live — lay in pieces in front of California Hall, the building housing Chancellor Ira Michael Heyman's office.

The plywood slabs, two-by-fours, cardboard, banners, empty spray-paint cans and shards of glass were quickly re-

moved by UC cleanup crews.

All 61 demonstrators, only 21 of them students, were booked at Alameda County's Santa Rita Rehabilitation Center near Pleasanton for resisting arrest and trespassing.

They were released on their own recognizance and will be arraigned in Berkeley-Albany Municipal Court today.

At an antinuclear weapons rally at noon yesterday that attracted 500 people, student

See *PROTEST*, Page A-3

Police arrest demonstrators in angry campus confrontation

Continued from Page A-1

leaders praised those who were arrested and vowed to rebuild the shantytown today.

Surprisingly, injuries to both police and protesters involved in yesterday's confrontation were confined to scratches and bruises.

Despite what at times was vehement resistance by many of the demonstrators, UC police used considerable restraint during most of the arrests.

"The protesters' actions were clearly provocative," Assistant Chancellor John Cummins said. "I think they're much more interested in confrontations with police than they are in the issues."

The protesters retorted that escalation was the only course of action left to them after UC officials failed to respond to their demands that the UC Board of Regents sell all \$2.4 billion in

stocks and bonds it owns in companies that do business in South Africa.

"I think the resistance was perfectly legitimate," said Rodney Ward, a member of the Campaign Against Apartheid, one of the groups that organized the protest. "The university sends police out after us every time we try to raise a political issue. They're going to break up a demonstration whether we go passively or not, and it's very demoralizing."

Three groups — Campaign Against Apartheid, United People of Color and UC Divestment Committee — erected the shanties Monday afternoon, blocking two of four entrances to California Hall.

University officials told protesters they could not occupy the shanties after 10 p.m.

UC officials said the flimsy buildings were a fire hazard that endangered university employ-

ees and offered to allow construction of shanties at another mutually agreed upon place on campus. Activists declined the offer.

Nearly 500 protesters gathered in shantytown to await the 10 p.m. deadline. Their numbers had dwindled to only 200 by 1:30 a.m. when police wearing riot helmets and carrying nightsticks surrounded the protesters in front of California Hall.

About 100 protesters chose to leave on their own, while about 80 huddled in the shantytown waiting for police to move. Tension mounted as the protesters screamed, chanted slogans and implored their supporters standing behind police lines to "knock down the barriers"

The protesters sandwiched themselves between two rows of shanties, erecting a barricade between themselves and police. Two-by-fours were stripped from the shanty walls, waved in the air and slammed against the shanties in rhythm with the protesters' chants.

When police moved in at 2 a.m., they had to peel away layers of wood, engaging in continual tugs of war with protesters fighting for every scrap of their town.

Meanwhile, about 25 demonstrators bolted from the shantytown and crashed through police lines at the last minute to escape arrest.

One by one the arrests were made. Some demonstrators were led away peacefully by police, but as the morning wore on and nerves became more frazzled, the demonstrators linked arms and forced police to dislodge each of them from a human web.

Several times police wrestled protesters to the ground, twisting arms and grabbing clothing, hair and even skin to get handcuffs on the struggling protesters.

"It's getting kind of rough. I think it's time for a break," Chief Derry Bowles said at one point. Several time-outs were called to let flaring tempers cool.

When police finally arrested the last of the demonstrators,

supporters of the demonstrators tried to block the path of a bus carrying them to jail. A chunk of concrete was hurled through the rear window of a police car carrying a prisoner, and throughout the campus, trash cans and bins were overturned in random acts of vandalism.

"This isn't like last spring," said one UC official who openly supported the students' efforts last year. "You can feel the hostility in the air. It almost makes me feel sick."

Several students and UC officials feared the tactics would detract from the divestment cause and issues such as minority enrollment at the university which were raised by the non-violent student group, United People of Color.

But Gisela Macedo, a member of UPC, said the issues will not be overshadowed.

"We don't think it helps to get beat up or arrested, but they felt they were making a stand and we will support them," she said.

"In the end, I think most people will judge us by what we say and by the goals we set, not by the type of protest we participate in."

dery authorities, rebuild shanties

By Kathy O'Toole
and Ruud Van der Veer
The Tribune

THU APR 3 1986

BERKELEY — Anti-apartheid demonstrators defied the courts and University of California officials yesterday by reconstructing their symbolic South African shantytown yesterday afternoon in front of California Hall. *divestment - S7 Bay*

By 7 p.m. 20 of the ramshackle buildings, all flying black balloons, mushroomed in front of the hall, occupied by about 150 protesters. From the lawns and pathways about 400 watched the pageant.

A huge red banner proclaiming "Winnie Mandela Hall," after the wife of jailed South African apartheid fighter Nelson Mandela, was strung over the hall.

Just before midnight, many of occupants of the shanties began barricading themselves inside the structures, while several dozen police officers patrolled the area.

At about the same time, approximately 100 counter-demonstrators carrying two large American flags also marched to the scene, although they did not clash with the shanty town protesters.

Earlier in the day, UC officials banned "disruptive" demonstrators from the campus, using a state law that was passed during violent student protests here in the 1960s.

At the same time, the university won a limited court order barring anti-apartheid protesters from building the shanties or anything else that would block use of university buildings.

Alameda County Superior Judge Henry Ramsey Jr.'s temporary restraining order gave UC attorney John A. Reding most of what the university wanted, although it did not contain a sweeping order sought by UC to ban any demonstration that would disrupt campus activities.

The order lists the UC Divestment Coalition, The Campaign

See SHANTIES, Page B-3

Against Apartheid, United People of Color, four UC students, seven non-students and 1,000 unnamed individuals.

A hearing is scheduled tomorrow to determine if Ramsey's order is to be made permanent. Ramsey, noting he wasn't addressing free-speech issues, framed his stop order in the health and safety codes. Before a protester can be charged with violating his order, he said, the campus fire marshal must certify in writing that shanties or any other structures are a fire hazard.

UC's moves yesterday indicated Chancellor Ira Michael Heyman is determined to take a harder line against the protests than he did last spring when demonstrators were allowed to sit-in on the steps of Sproul Hall for several days before arrests were made.

Protesters, most of them non-students, were angered yesterday by the administration's decision to ban what they said were some of their political organizers from the campus.

"The (banning) order is no different than what was set on me in South Africa," said Clifford Senghe, a black South African from the African National Congress.

UC spokesman Ray Colvig said 19 people will be barred from campus for two weeks under the Mulford Act, which gives administrators of state-run colleges and universities the authority to ban any person believed to have "willfully disrupted the orderly operation" of a public campus.

Colvig and police said they weren't sure how many of those banned were students.

Police also arrested one protester, identified as Duke Henry Humbert, as he approached the campus for yesterday's noon rally. Humbert was charged with assault with a deadly weapon for allegedly rolling a dumpster toward police officers as they were trying to get a busload of arrested protesters off campus here early Tuesday.

day.
Sixty-one demonstrators, including 21 students, were arrested for resisting arrest or trespassing early Tuesday after they refused to remove 14 wood, cardboard and cloth structures from the campus after several warnings.

The protesters' demands have included closing down a campus computer store that sells IBM computers. IBM does business with the South African government.

Yesterday's rally drew more than 1,000 students and other onlookers, but many other students merely passed by.

Last spring when the apartheid issue rekindled the political protest spirit on campus, students hoped to get UC's Board of Regents to sell all the universi-

ty's holdings in companies that do business in South Africa. The regents listened at several hearings but voted against divestment, leaving many moderate students disillusioned.

The goal, this year, is not necessarily to change the regents' vote but "to set an example for the nation," UC student body President Pedro Noguera told fellow students at the noon rally.

He reminded them the goal was not to "fight police but to protest against a policy we consider immoral and unjust."

Lending their support to the students' cause yesterday were Rep. Ron Dellums, D-Berkeley, and the Berkeley City Council. In a prepared statement, Dellums urged UC officials not to "over-react" and council aide Karen Johnson told students that coun-

cil members did not endorse city police assistance to UC police attempting to arrest protesters.

Kenneth Hernandez, campus fire marshal, ordered California Hall's 250 employees to evacuate the building yesterday afternoon because of the protests. Hernandez said the wood shanties violated the state fire code.

— **Larry Spears contributed to this report.**

Chancellor says he'd use force again

By Barbara Lynne Harris
The Tribune *APR 4 1986 - St. Bay Area*
S African divestment

BERKELEY — University of California Chancellor Ira Michael Heyman said he would not hesitate to use force again to quell campus disturbances like the angry anti-apartheid demonstration that turned into a melee of rock and bottle throwing early yesterday.

Heyman blamed protesters for the violence in which at least 11 students were injured seriously enough to seek hospital treatment and 22 police officers suffered minor injuries.

Students, who are demanding that the university divest itself of stock in companies that operate in South Africa, said UC and Oakland police brutally clubbed peaceful protesters who sat in front of two busloads of demonstrators who had been arrested before dawn.

Arrests began at about 3:15 a.m. after protesters refused to leave a shantytown that anti-apartheid groups rebuilt at California Hall in defiance of UC administrators and an Alameda County Superior Court

order.

When it ended more than four hours later, 88 people had been arrested at shantytown, two men were apprehended behind California Hall allegedly holding molotov cocktails, and another protester was nabbed on Sproul Plaza.

The 88 were booked for investigation of illegally lodging on campus, trespassing, resisting an officer, resisting a UC official, violating a temporary restraining order, participating in a riot and remaining present at the location of a riot.

They were held in Santa Rita county jail on \$7,250 bail each.

The campus was littered with garbage, dumpsters were overturned, broken bottles and rocks were strewn over the area, 11 windows were broken, concrete bicycle racks were demolished and charred rags were found in the gas tanks of three university vehicles.

A noon rally was attended by some 1,500 people, but with so many protest leaders jailed and the remainder exhausted,

See UC, Page A-2

Continued from Page A-1

they dispersed quietly.

Heyman said damage to the campus and the cost of overtime for police called in from half a dozen different agencies in the Eastbay could run as high as \$100,000.

"It's not the right to protest that is the problem," said Heyman, who cut short a trip to the East Coast and returned to campus yesterday. "The problem is violence, and a small group is... paying lip service to fighting apartheid, but it's goal seemingly is violence."

Heyman said that UC officials even agreed to allow construction of shanties, but only at Sproul Plaza.

Students had been warned that the shantytown at California Hall was a fire hazard because it was too close to the building and blocked the exits.

A similar shantytown was erected on Monday and torn down by UC work crews after 61 people were arrested before dawn Tuesday.

Heyman said he cannot allow students to conduct a sleep-in — as they did for 43 days last spring at Sproul Hall — because of the health and safety problems it presented.

UC spokesman Ray Colvig

said the arrests at shantytown by UC police went smoothly, with little resistance.

Accounts of what happened after the arrests, however, varied.

Colvig said while the arrests were being made, 300 to 500 protesters hemmed in officers. UC authorities were forced to request police aid from Oakland, Berkeley, Albany, Fremont, BART and Alameda County to help clear a path for buses holding those arrested at shantytown.

Police had to toss aside huge barricades of concrete, trash cans and dumpsters built by protesters to block the path of the buses and braved a barrage of debris and rocks and bottles, Colvig said.

United Press International photographer Lloyd Francis, who was taking pictures of the scene from the sidelines, said he was picked up by an officer and hurled several feet in the air into the bushes.

At Sather Gate, a line of protesters, five deep, sat down in a last attempt to block the bus.

"They stopped, and I thought they were going to start the arrests again, one by one," said Frank Papalia, 34, a recently graduated architect who had five stitches in his head, a cut on

his ear and a swollen jaw from what he said were blows from a police baton.

"All of a sudden the police moved in. I didn't see anything but sticks. I was hit before I could even get up to run."

Several students said they never heard a warning to leave, but one student said she heard an Oakland officer yell, "Get up or get hurt!"

Some student groups are planning to build yet another shantytown on Monday and may call for a boycott of classes that day. Heyman said if the circumstances are the same, protesters would be met with police.

"I will do everything I can to avoid that. On the other hand, if I have violations of the order of the Superior Court of Alameda County, and if I have dangerous circumstances existing in regard to fire, I will have no choice but to go through something similar," he said.

Heyman, who opposed divestment last year, said that as a trustee of Dartmouth University he is "prepared personally... at some point in the future to seriously consider joining in a consortium of other universities... in going toward more complete divestment."

— Amanda Covarrubias and Harry Harris contributed to this report.

Judge frees 88 UC protesters—strike is next

The Tribune

SOUTH AFRICA
D.I.E.S.

BERKELEY — A judge yesterday released 88 anti-apartheid protesters arrested in a violent confrontation with police Thursday at the University of California, while on the campus the protest movement prepared for a strike on Monday.

Alameda County Municipal Court Judge Julie Conger released almost all the protesters from the county's Santa Rita Rehabilitation Center on their own recognizance, dropping the previously set bail of \$7,250 for each.

Also yesterday, Presiding Superior Court Judge Henry Ramsey Jr. struck down contempt actions against the protesters, and modified the two-day-old Superior Court order that had set rules to regulate the "shantytowns" that demonstrators have built at the campus.

Judge Ramsey issued a new temporary restraining order that still bars protesters from erecting shanties or other structures that are a fire hazard. But it gives them time to comply with the order before they are arrested or told to leave.

Ramsey refused to specify how many shanties could be built on the campus, or where, saying he will leave that to "the professional judgment of the fire marshal."

UC authorities, meanwhile, served papers on the arrested protesters yesterday banning them from the Berkeley campus for two weeks.

But UC spokesman Tom Debley said the ban will only apply to non-students, and police won't enforce the ban on 51 of the protesters who are enrolled in the university.

The order, he said, is authorized by state law as a preventive measure against disruption.

All 88 of those arrested have been charged with one felony count and six misdemeanors, among them rioting, resisting arrest, trespassing and contempt of court. The latter charge will probably be dropped in light of Ramsey's decision yesterday.

Thursday's confrontation resulted in injury to 33 people, 11 of them civilians and 22 police officers, according to UC police.

Student leaders at UC said yesterday they have called a strike for Monday to protest the arrests. They said they will rebuild the shantytown that was demolished Thursday by the police.

Clark Sullivan, spokesman for the Campaign Against Apartheid, said the strike is supported by the Association of Graduate Student Employees, which voted Thursday night to encourage its members to dismiss classes and attend a rally.

The protesters are preparing nonviolent techniques for Monday.

"We've got to prove we are not

instigating the violence, the police are," student Tracy Katelman said in a rally yesterday.

Police actions during Thursday's fracas, said to be the ugliest since the Free Speech Movement demonstrations and Vietnam War protests at UC in the 1960s and early 1970s, were denounced yesterday by labor union officials and leaders of the Bay Area Free South Africa Movement.

Alameda County Supervisor John George, who is chairman of BAFSAM, said, "The police and authorities are using these temporary restraining orders as an excuse to take broad and repressive action against anyone demonstrating for divestment, or against trade with South Africa."

UC Berkeley Chancellor Ira Michael Heyman defended the police.

He put the blame for Thursday's violent confrontation on the protesters, whom he said provoked it by defying a court order and remaining in the shantytown they built to dramatize the plight of black South Africans.

Heyman said the university's call for help from city police and other law enforcement was justifiable, and that he would call them in again in similar circumstances.

"We were in a situation where our own police were simply not enough to seek to restore any kind of calm on campus," Heyman said.

Berkeley City Council members were said to be furious yesterday when they learned that former City Manager Dan Boggan, on his first day in his new job as a UC official Tuesday, requested Berkeley city police help in handling the protests on the university campus.

Berkeley Police Chief Ron Nelson said he refused Boggan's request, but then was told by acting city manager Hal Cronkite to comply with it.

Berkeley Vice Mayor Veronika Fukson said yesterday, "I don't want people to get the impression the city council condones violence, but I also don't want police bashing heads. I would like to keep our (city) police out of it because the UC police are brutal, and they have no (civilian) review procedures to sort out who was violent."

At the UC campus the evidence of Thursday's clash included 11 broken windows at California Hall, the campus administration building that was the site where the 14 cardboard and wood shanties were erected by the protesters.

The protesters numbered an estimated 300-400 Thursday. They want UC to sell \$2.4 billion worth of investments in companies that do business in South Africa.

— Kathy O'Toole, Larry Spears, Will Jones and John Miller contributed to this story.

Apartheid protesters *S. African* claim win

WED APR 30 1986
UC chancellor calls
for limited divestment

By Barbara Lynne Harris
The Tribune

St Bay Area

BERKELEY — A large shantytown was erected during a peaceful rally on the University of California campus yesterday, as apartheid protesters claimed a modest victory with Chancellor Ira Michael Heyman's call for limited divestment.

In his strongest statement yet, Heyman said, "Events of the past 12 months now argue for a reassessment of each person's thinking and position on this critical matter."

Heyman last year supported using the Sullivan Principals — a code of conduct for U.S. companies doing business in South Africa — to force political, economic and social reforms.

In a statement released Monday, he said the time for such modest actions has passed.

"I am strongly urging reconsideration of the recommendation of the Africanist Committee of Academic Council, which has requested that the university sever its ties to corporations which supply strategic and military goods to South Africa, which lend money to South Africa, which have employment records reflecting policies of racial discrimination, or which do not actively work to end apartheid," Heyman said.

He also challenged the UC Board of Regents, which manages the university's portfolio, to reconsider the council's proposal this fall when the regents are scheduled to take up UC's investment policy.

Heyman advocates building a coalition of student lobby groups to pressure Congress,

See **PROTESTERS**, Page C-2

Continued from Page C-1

and assembling a consortium of universities and other nonprofit institutions to vote in blocks as shareholders to change corporate behavior in South Africa.

He said the change in his position is based on South African Bishop Desmond Tutu's recent call for international economic sanctions, as well as the slayings of more than 1,400 black demonstrators in South Africa in the past 19 months.

Protesters, however, took some of the credit.

"There is no question that protest had some role in Heyman's new position," said Paul Hess, a member of the Campaign Against Apartheid, which sponsored the noon rally and rebuilding of the shantytown.

The shantytown, which represents the squalid dwellings in which black people live near wealthy South African cities, was built on campus for a 24-hour teach-in on the issues of racism, both in South Africa and the United States. Workshops on the plight of the South African blacks, the Arizona Hopi and Navajo Indian tribes at Big Mountain and failures of the affirmative action programs on campus will be discussed.

University officials agreed not to destroy the shanties as long as they did not block building entrances or create a fire hazard. The shanties are supposed to be removed at noon Wednesday.

Hess said there are no plans to defy the university's orders that the shanties remain only one day.

Politicians urge UC divestiture

SAT JUN 21 1986
The Associated Press

LOS ANGELES — Demonstrators and politicians gathered yesterday outside a University of California Regents meeting, but the board didn't discuss the call for the university to pull its \$2.4 billion in investments out of companies doing business in South Africa.

About 60 protesters showed up outside the meeting on the University of California at Los Angeles campus, but there was only one arrest reported.

Democratic politicians using the regents meeting as a campaign platform on apartheid urged the regents to divest immediately.

Mayor Tom Bradley, running for governor against incumbent Republican George Deukmejian, and U.S. Sen. Alan Cranston, facing Republican U.S. Rep. Ed Zschau, both spoke outside the building while the regents met in closed session.

UC President David Gardner said the issue would not be taken up by the trustees until their next meeting, set for Santa Cruz July 17-18. The board did hold a closed meeting on investment matters yesterday, but divestment apparently was not among the items discussed.

South Africa roundup, C-10

How regents voted on divestment

The Tribune

JUL 19 1986

Here is how the University of California regents voted yesterday on divesting more than \$3 billion from companies that do business in South Africa.

YES — 13

Sheldon W. Andelson
Roy T. Brophy
Yvonne Braithwaite Burke
Tirso del Junco
Gov. George Deukmejian
John F. Henning
David B. Hoffman
Bill Honig
Frank L. Hope Jr.
Leo S. Kollijian
Leo T. McCarthy
James Toledano
Ori Wada

NO — 9

W. Glenn Campbell
Edward W. Carter
Frank W. Clark Jr.
David P. Gardner
Jeremiah F. Hallisey
Claude B. Hutchison
Vilma S. Martinez
Joseph A. Moore
Dean A. Walkins

ABSTAIN — 1

Robert N. Noyce

ABSENT — 7

Willie Brown
David Geffen
Willis W. Harman
Stanley K. Scheinbaum
William French Smith
William A. Wilson
Harold M. Williams

Dramatic proposal is approved, 13-9

By Barbara Lynne Harris
The Tribune

SAT JUL 19 1986

SANTA CRUZ — In a sweeping victory for Gov. Deukmejian, the University of California Board of Regents yesterday voted to divest all securities of U.S. corporations doing business in South Africa.

The 13-9 vote on Deukmejian's dramatic proposal directs UC's treasurer to sell \$3.1 billion in securities now in the university's \$9.6 billion portfolio during the next four years.

The divestment would be the second largest in the country, according to the Investor Responsibility Research Center in Washington, D.C. Last year, the New Jersey Legislature voted to sell \$3.5 billion to \$5 billion in South Africa-related holdings.

Nationwide, UC Treasurer Herbert Gordon said, \$9 billion of an estimated \$1 trillion in pension funds have been divested of South African-related holdings.

Under the governor's plan, UC immediately would sell securities in any U.S. company that expands its operations in South Africa. After a 12-month grace period, the university would sell one-third of its holdings in other South Africa-linked companies each year for the next three years.

The divestment plan will take effect only if the California Legislature approves a law that indemnifies each regent from personal liability in the event that the UC pension funds, which make up 80 percent of UC's portfolio, earn lower returns because of divestment.

The governor added the provision at the last minute to allay the fears of wealthy regents that they might be sued

See DIVEST, Page A-2

by UC employees for next managing pension funds prudently.

The vote came after a stern warning by Treasurer Gordon that the move would likely result in lower yields from UC investments, as well as \$118 million in additional commissions and other expenses.

The overwhelming victory was considered a political coup for ex-officio Regent Deukmejian. A year ago, he had voted against a similar proposal, but Wednesday reversed his stand, sparking a quick ratification yesterday before the normally conservative governing body.

Democratic gubernatorial candidate Los Angeles Mayor Tom Bradley called Deukmejian's change of heart "politically expedient ... because this certainly is the most monumental flip-flop of his entire administration."

Political motive denied

The Republican governor denied that politics had anything to do with his change of heart.

During the meeting, the governor told the regents, his voice cracking with emotion:

"I stop and think that if the roles were reversed, if we were living in this country at the present time ... (and) we were denied the basic human rights that are denied to the majority of the people in that country, I'd have to feel that I would certainly want people throughout the world to try to do what they could to help me and my family."

He said worsening conditions in South Africa, including a state of emergency, detentions and deaths, "all lead to the conclusion that a policy appropriate a year ago is no longer sufficient today."

His speech was followed by a plea from Mayor Bradley, who said "any action by any governmental agency by itself may not do the entire job, but the cumulative effect of all of these governmental agencies ... that is the reason why it is important that the Board of Regents join in this fight."

Bradley reminded the regents that he was once himself a victim of racism, as a track star at UCLA in the 1930s, when he was denied the right to participate in track events held at Southern universities.



The Associated Press

UC President David Gardner, left, with board Chairman Frank W. Clark Jr. and Gov. Deukmejian.

"To the credit of our university, once again the message went out that either all of our athletes are going to be treated fairly ... or none of them will compete," Bradley said. At the time, he said, no one could foresee the impact of UC's "courageous" stand.

Bradley called for the university to stop contracting for goods and services from companies that have ties with South Africa, but that issue was put over to a future meeting.

Treasurer Gordon warned regents that a South Africa-free portfolio, which would limit the companies in which UC can invest by 40 percent, would surely earn less than one without such restrictions.

From June 1985, UC's investments would have earned \$240 million less in a South Africa-free portfolio, he said, citing figures from The Boston Co.

Deukmejian said later, however, that his own analysts calculated that in four of the last five years South Africa-free portfolios performed as well as traditional investments.

Appointees came through

When the vote came, all three of Deukmejian's recent appointees, Leo Kolligian, Tirsio del Junco and Roy Brophy, threw their support behind the governor. Another regent, Frank Hope, also followed the governor, reversing his negative vote

of last year.

"Of course, there's pressure to vote with the governor," quipped del Junco, a moderate physician from Los Angeles, before the tally.

Brophy implored the regents not to consider the economic cost of divestment over the ethical issues. Their concern, he said, "does not speak well of our morals."

At one point, conservative Regent Glenn Campbell tried to derail the governor's resolution by suggesting that the regents insert the "Soviet Union" wherever South Africa appeared in the legislation and the word "genocide" where the word apartheid occurred.

But the Hoover Institution director withdrew the amendment when he was told it was totally off the subject and would require a separate public hearing.

UC President David P. Gardner, the author of last year's case-by-case approach to divestment, was uncharacteristically silent throughout the entire four-hour debate.

That policy, which required divestment in firms that did not adhere to the Sullivan Principles, guidelines for equal opportunity for black South Africans working for U.S. firms there, had resulted in the divestment of one stock worth \$123 million. Of the 25 largest companies with operations in South Africa, UC still owns stock in 14.

In the end, Gardner voted against the governor, saying later that divestment is a political action, while opposition to apartheid is a moral response.

During a press conference after the vote, Gardner's usually composed veneer appeared to be wearing thin.

"If you are of the opinion that it was easy for me to vote no on a motion by the governor of the state and supported by the lieutenant governor and the Assembly speaker ... you are very wrong."

But he said he had to vote his own beliefs and "let the chips fall where they may."

The final vote pitted 13 regents against nine, with seven absent, including Assembly Speaker Willie Brown and one abstention by Robert Noyce, vice chairman of Intel Corp. Noyce disqualified himself from voting on a similar proposal last year because of a possible conflict of interest because of his personal holdings.

The governor also has called for a phased withdrawal of state pension funds invested in companies that do business in South Africa, but nothing has yet happened with that proposal.

About \$10 billion of the \$45 billion Public Employees' Retirement System and the State Teachers' Retirement System is invested in such firms.

Financial impact likely to be indirect

SAT JUL 19 1986

By Laura Evenson

and David Tong

The Tribune

The University of California's decision to sever ties to companies that do business in South Africa will not have a dramatic impact on the university's investment profits or on the stocks of affected companies, but it could lead to divestment by other, larger stockholders, say Bay Area analysts.

"I think the psychological impact of this will be tremendous," said Robert Anderson, an associate professor of economics and mathematics at UC-Berkeley.

"I think the management of large companies that do have South Africa investments may see it as a sign that an increasing number of large investment funds may soon be unwilling to hold stock in them," said Anderson. "If those funds were

See *IMPACT*, Page A-2

'Hitch' in Reagan proposal to appoint black envoy, A-8.

the effect of all of these governmental agencies... that the government has the entire job, but the cumulative effect of all of these governmental agencies by itself may not be a big deal. The value of their (the companies') stock would be depressed somewhat."

Although yesterday's decision to divest \$3.1 billion in 29 companies that have ties to South Africa will restrict the choice of companies for the university's investment portfolio, "there is no reason why the university can't make money," said Peter Hill, director of institutional investments for Bailard, Biehl & Kaiser Inc.

Hill said he has seen at least two studies that show "you can do as well (with South Africa-free portfolios) as portfolios with companies that invest in South Africa."

He said he does not believe the divestment will hurt stock prices because the sell-off will be handled over a long period of time.

A spokeswoman for Hewlett-Packard Co., the Palo Alto-based computer maker and one of the local companies in UC's

portfolio with ties to South Africa, said the university's plans to divest will have "no direct impact" on the company.

But Barbara Kommer, manager of investor communications for Hewlett-Packard, said she expects a ripple effect on other educational institutions that have been sitting on the fence.

She observed that in the past UC has relied on a passive management approach, in which it hoped to make a profit by keeping steady-growth stocks over a long period of time.

With fewer blue-chip stocks in its divested portfolio, the university will have to take a more active role that involves the constant buying and selling of stocks, she said. It will also mean more investment in "smaller, volatile companies with a smaller float."

"I think it will cost the university money, but I don't know how much," Kommer said.

UC treasurer Herbert Gordon, who last year crusaded against

divestment with a report that predicted huge losses should the regents decide to divest, remains critical of divestment. In a press conference yesterday, he said transactional costs alone will come to \$118 million, including \$11 million in commissions over the next four years. The university already spends \$2.5 million a year on commissions.

Gordon said divestment will reduce investment opportunities by 40 percent, since 14 of the 25 largest U.S. corporations have ties to South Africa.

He added that had the university divested last year, it would have made \$240 million less than it has since then.

Most observers agree that the direct financial impact on companies in the UC portfolio will be minute.

"The impact will be more political than economic or financial," said Phillip E. Vincent, vice president and senior economist at First Interstate Bancorp in Los Angeles.

If they were invested in small companies that had been doing business in South Africa, the divestment could hurt very much," said Vincent. "But other institutional investors who will not be constrained by public policy might determine the blue-chip stocks affected by divestment are artificially undervalued, and as a result, might shift toward them to make money."

Tribune reporter Barbara Lynne Harris contributed to this story.

Activists are surprised, delighted with decision

SAT JUL 19 1986
By Kathy O'Toole
The Tribune

Eastbay anti-apartheid activists reacted yesterday with surprise and delight to the University of California regents' decision to sell the university's South African-related investments.

Labor, student and political leaders who have devoted much of their lives the past two years to building the divestment movement said the vote could be a major step towards convincing Congress and the president to institute a national boycott of South African products.

"This should get something into Reagan's hard head," said Leo L. Robinson of Oakland. Robinson is a member of the International Longshoremen's and Warehousemen's Union, Local 10, which refused to unload a South African cargo ship docked in San Francisco in November 1984.

"I'm in a state of shock, but it's wonderful," said Peter Saltzman, a UC-Berkeley mathematics graduate student who has been pushing for divestment since his Harvard days of 1978.

At UC-Berkeley, Saltzman became a leader of the student and community group that in the spring of 1985 helped forge the largest student protest movement here in a decade.

Students, he said, had come to believe the regents would never vote for divesting UC's holdings in major U.S. firms with operations in South Africa.

Alameda County Supervisor John George, who rarely compliments Gov. Deukmejian, reacted to yesterday's vote with praise. George, a liberal Democrat and chairman of the Bay Area Free South Africa Movement, dismissed Deukmejian critics who say the governor switched sides because of his reelection campaign against Los Angeles Mayor Tom Bradley.

"It's not a question of the governor's sincerity. The fact is he made the motion. I am very happy."

Natalie Bayton who organized Oakland residents to convince the City Council to divest last year, said she was disappointed the governor's motion didn't call for quicker action.

"Most people recognize you can't dump all the stock on the market at once. But it seems four years is a very long time given the emergency in South Africa," said Bayton, coordinator of the Bay Area Free South Africa Movement.

George and others, however, said the timing of the divestment was less significant than the fact that the largest state university was selling and at the urging of a governor who is normally a close ally of President Reagan.

Walt Milliken, who, in 1979, helped organize one of the first successful local divestment campaigns in the country, said he was "overjoyed" by yesterday's vote.

"They could sell faster, but given the current stock market, I can understand their reluctance to dive in," said the Berkeley political activist.

In 1979, Berkeley voters became the first in the country to direct their city to remove municipal accounts from banks that did business in South Africa. Nearly all the city's locally elected officials were residents who campaigned for that ballot initiative and many of them joined students in getting arrested during last year's protests of UC's continued holdings.

But not everyone in Berkeley thinks divestment is the best way to pressure South Africa. "The way to get at the bottom line of the companies who do business there is to boycott their products," said David E. Feller, a law professor at UC's Boalt Hall.

Feller, who is a member of the UC Faculty Senate welfare committee, said that the stock sales will not affect UC employees' pensions because the regents are committed to pay a specified amount regardless of the pension fund earnings.

A separate supplemental UC annuity fund that employees can elect to join, Feller said, does pay employees precisely what their money earns.

If the regents also intended by yesterday's vote to sell South African-related investments in that portfolio, he said, "they should have consulted the (university's employee) retirement board first, and they did not."